

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BUDGET AND FINANCE COMMITTEE
CONFERENCE CALL
FEBRUARY 21, 2012

Mr. Tico Perez, Chair, convened the conference call of the Budget and Finance Committee at 10:01 AM. Members present were Tom Kuntz, Norman Tripp, Dick Beard, Dean Colson, and John Temple.

1. Call to Order

Mr. Perez called the meeting to order and thanked the members for calling in.

Mr. Perez noted that the fee presentations and discussions were being deferred to the March meeting in Jacksonville. By deferring the discussion this allows the universities, staff and board members to be in Tallahassee attending to session business.

2. Approval of November 9, 2011, Meeting Minutes

Mr. Beard moved that the Committee approve the notes of the meeting held November 9, 2011 as presented. Mr. Tripp seconded the motion, and members of the Committee concurred.

3. 2013-14 Draft LBR Guidelines

Mr. Perez mentioned that these were draft guidelines and that no action would be taken at this meeting, but they would come back to the Committee in March. Mr. Perez asked Tim Jones to review the guidelines for the Committee. Mr. Jones noted there were three primary changes; 1) the guidelines have been updated to reflect the Board's new Strategic Plan, 2) modifications were made to include the actual amount of Major Gift backlog totaling \$285 million, and 3) a statement has been included to request any system non-recurring funds that may be appropriated by the Legislature.

Mr. Kuntz requested more information on the Major Gift matching program. Mr. Perez provided an overview and indicated that the program has not been funded by the state for several years due to the lack of resources.

6. Concluding Remarks and Adjournment

Mr. Perez requested that Mr. Jones provide an update on the status of the budget discussions in the Legislature.

Mr. Jones stated that the House passed their budget on February 9. They recommended \$138 million in base budget reductions. For tuition, the House is recommending an 8 percent base undergraduate tuition increase with the assumption that the Board will approve a 7 percent tuition differential. They are also assuming that the Boards of Trustees will raise graduate, professional and out-of-state tuition by 8 percent. Normally the universities do not raise out-of-state tuition since we are very high nationally. The House tuition policy generates about \$135 million, thus the universities basically have a revenue neutral budget.

Mr. Jones indicated that the Senate would discuss the budget Thursday. They recommended \$400 million in base budget reductions. For tuition, the Senate is recommending a zero percent base undergraduate tuition increase with the assumption that the Board will approve a 15 percent tuition differential. They are also assuming that the Boards of Trustees will raise graduate, professional and out-of-state tuition by 8 percent. The Senate tuition policy generates about \$128 million, thus the universities would have a shortfall of \$270 million. The Senate has indicated that universities could cover this shortfall from their fund balances; however, several universities will struggle to cover this from their fund balances. Mr. Jones indicated that significant portion of fund balances are being used to cover current and prior year cuts, plus funds were saved to cover the loss of federal stimulus funds until tuition increases occurred and the state's budget stabilized.

Mr. Kuntz requested more information on the base tuition changes in the Senate versus the House. Mr. Perez provided an overview explaining the differences and the role the Board plays in approving tuition differential increases.

Having no further business, the meeting was adjourned at 10:16 AM.